weekly economic review

May 3, 2013

Merchandise Trade

Export growth continues

The value of Alberta's merchandise exports exceeded last year's levels for the third consecutive month in March. Exports totaled $8.7 billion, up 1.4% over the same month last year.

The export gains were fairly broad based. Energy products (+0.6%), the largest export category, and farm, fishing and intermediate food products (+5.3%) led the gains. Exports of metal and non-metallic mineral products posted the largest loss, falling 21.3%. Industrial machinery, equipment and parts exports also fell slightly, but at a much slower rate than in February.

Nationally, the merchandise trade balance moved from a $1.2 billion dollar deficit to a $24 million surplus as exports grew at a much faster rate than imports.

Rigs Drilling

Rigs drilling continues to trend downwards

Rigs drilling in the province continued to trend below the 2012 level in April, posting the eleventh consecutive year-over-year decrease. The average number of active rigs in Alberta was 115 in April, down 18.2% from the same month last year. Despite recent decreases, monthly rigs drilling continues to remain above the five year average.

Bankruptcies

Business and consumer insolvencies continue to move lower

In February, both business and consumer bankruptcies fell compared to February 2012. A total of 14 business bankruptcies were reported, down 44.0% year-over-year and below the 12-month average of 17.

Consumer bankruptcies dropped to 412 in February, down 22.7% from the same month last year. After hitting a peak of 1163 in September 2009, there has been a strong downward trend in consumer bankruptcies.

Canadian Real GDP by Industry

Strong growth to start the year

Real GDP in Canada increased by 0.3% in February, matching January's growth rate. The expansion was led by the mining, quarrying, and oil & gas extraction industry, which jumped 2.2%. The increase was largely due to a 6.4% increase in the mining industry, though conventional oil and gas extraction saw a healthy 1.2% increase after falling in the previous two months. The non-conventional oil extraction industry expanded for the third straight month (+0.6%).

US Employment

Markets rally on strong jobs numbers

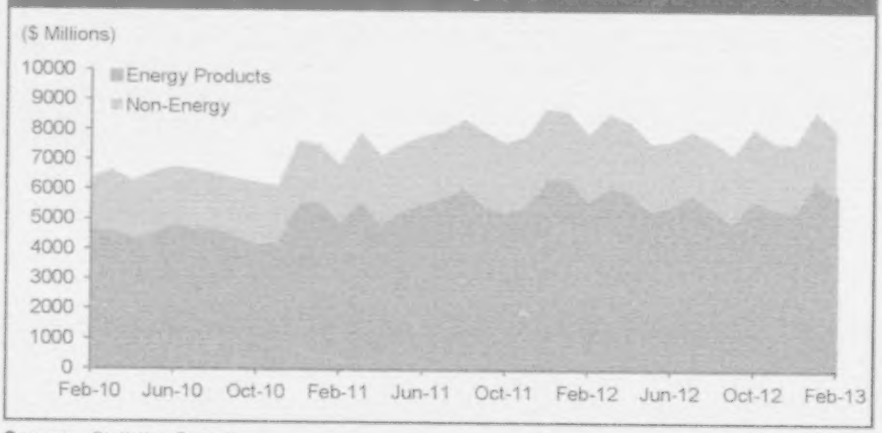
The US economy added 165,000 jobs in April, and the unemployment rate ticked down 0.1 percentage points to a post-recession low of 7.5%. In addition to the April numbers, estimates of changes in non-farm payrolls for February and March were revised up by a combined 114,000 jobs. The S&P 500 increased 1.1% on the news, becoming the last major US stock exchange to eclipse its pre-recession peak.

European Economy

ECB lowers interest rate

For the first time since July 2012, the European Central Bank cut its benchmark interest rate by 25 basis points to a record low of 0.5%. The move comes after the unemployment rate hit a record high in March and inflation fell to 1.2% in April.

Alberta International Merchandise Exports



Source: Statistics Canada

Closing Price	April 25, 2013	May 2, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	98.10	99.18	98.25
WTI Oil ($US/bbl)	93.64	93.99	92.10
NYMEX Natural Gas($US/MMBtu)	4.17	4.03	4.16

Alberta Economic Indicators

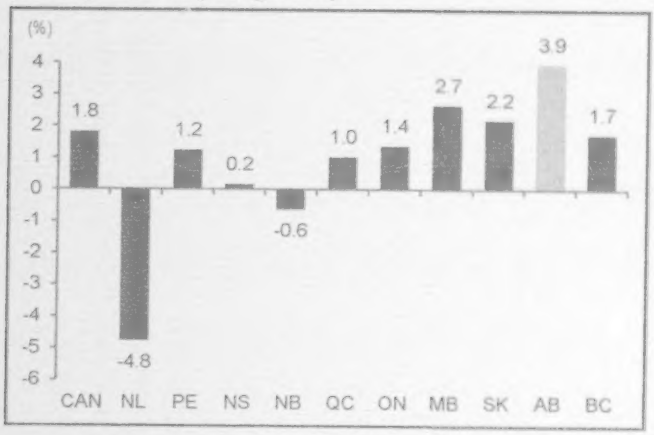
Population	2011	2012	2013YTD	Nov	Dec	Jan	Feb	Mar	Apr
Population (000's)	3,778	3,874	3,931	..	..	3,931	..	..	..
y/y % change	1.5	2.5	3.0	..	..	3.0	..	..	..
Net Interprovincial Migration[1]	8,443	28,170	25,448	..	..	11,533	..	..	..
Net International Migration[1]	16,793	37,990	17,105	..	..	6,296	..	..	..
Net Non-permanent Residents[1]	-7,604	9,721	2,813	..	..	-1,133	..	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,174	2,170	2,165	2,175	2,179	2,168	..
y/y % change	3.8	2.7	2.0	1.9	1.5	1.9	2.5	1.7	..
Unemployment Rate (%), SA	5.5	4.6	4.6	4.2	4.5	4.5	4.5	4.8	..
Participation Rate (%), SA	73.7	73.4	72.8	73.0	72.9	72.9	72.9	72.6	..
Average Weekly Earnings ($), SA	1,035.70	1,072.75	1,090.33	1,091.24	1,095.14	1,090.33	..	..	..
y/y % change	4.4	3.6	3.6	4.4	3.9	3.6	..	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	0.5	0.6	0.0	-0.5	0.9	1.2	..
Excluding food and energy	0.8	1.3	1.1	0.9	1.1	0.8	1.4	1	..
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	..	..	3.0	..	..	..	..
Farm Product Price Index (y/y % change)	18.0	4.4	..	2.0	2.7	..	..	..	..
Crops	19.3	1.9	..	3.0	4.3	..	..	..	..
Livestock	16.7	6.7	..	1.3	1.4	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	33.7	39.9	30.2	30.9	35.3	34.9	..
y/y % change	5.1	29.9	8.1	32.8	5.5	18.1	10.6	-1.4	..
New Housing Price Index[2] (y/y % change)	0.4	1.3	2.4	1.7	1.9	2.2	2.6	..	..
Edmonton	0.9	0.9	0.9	0.8	1.0	0.9	1.0	..	..
Calgary	0.1	1.7	3.8	2.8	3.1	3.9	4.3	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	376.7	370.7	372.2	367.6	380.1	382.4	..
y/y % change	0.5	2.6	5.8	4.2	5.2	6.6	4.5	6.4	..
Edmonton ($ 000's)	324.2	332.7	345.2	343.0	345.9	337.6	344.0	354.0	..
y/y % change	-0.7	2.6	3.8	5.3	4.4	1.6	2.6	7.0	..
Calgary ($ 000's)	401.9	410.8	431.4	419.3	436.0	422.5	436.7	435.0	..
y/y % change	1.1	2.2	8.1	3.1	8.3	12.4	5.7	6.6	..
Retail Sales, SA (y/y % change)	6.9	7.6	2.9	4.1	2.4	2.9	..	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.6	5.0	2.6	0.7	3.6	6.5	..	..
NEW: Consumer Bankruptcies	7029	5759	858	420	346	446	412	..	..
y/y % change	-13.8	-18.1	-18.3	-27.2	-28.4	-11.7	-22.7	..	..
Business Sector									
NEW: Rigs Drilling	266	250	303	258	287	368	422	306	115
y/y % change	30.4	-12.6	-9.5	21.8	16.6	-8.2	8.1	-9.4	18.2
NEW: Goods Exports, customs based (y/y % change)	18.4	1.8	1.4	-2.8	-13.1	1.5	2.0	1.4	..
Energy	19.2	2.1	0.6	1.3	16.9	1.2	4.0	0.6	..
Farm, Fishing and Intermediate Food	27.2	20.6	5.3	6.3	20.0	3.8	6.7	5.3	..
Farm Cash Receipts (quarterly, y/y % change)	15.2	15.0 (YTD)	..	..	..	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	18.1	5.5	1.5	-5.4	4.0	1.6	1.4	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	5.1	5.1	3.7	3.6	6.5	..	..
Building Permits, SA (y/y % change)	11.8	14.8	22.6	44.7	5.4	24.7	20.9	..	..
Residential	5.2	18.2	15.2	23.3	2.2	21.2	9.8	..	..
Non-residential	30.9	10.7	33.7	78.4	-13.0	30.6	35.9	..	..
NEW: Business Bankruptcies	264	230	24	15	16	10	14	..	..
y/y % change	30.2	-12.9	-46.7	-21.1	-11.1	-50.0	-44.0	..	..

1 Quarterly, annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

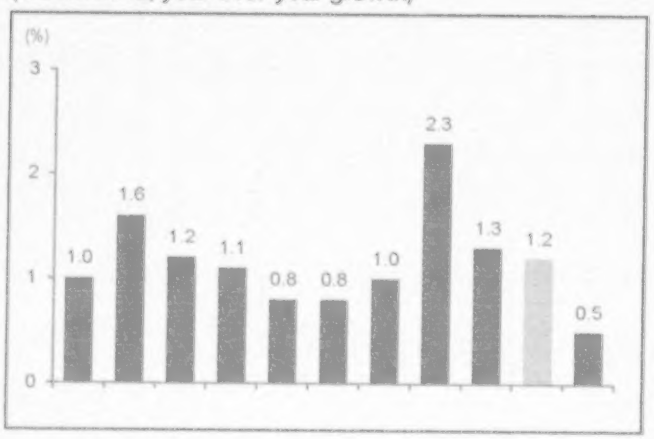
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

Economic Indicators by Province

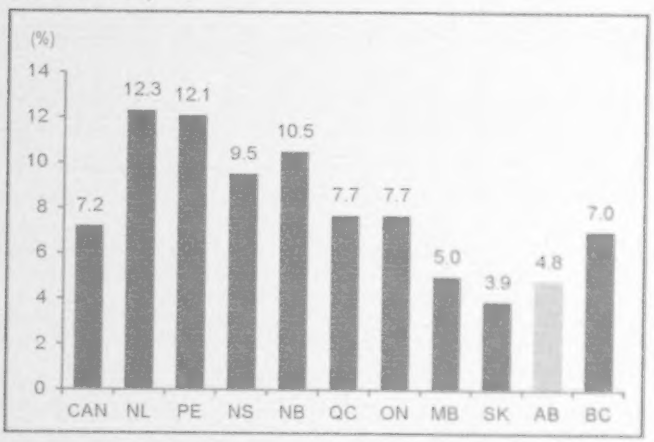
Real GDP by Industry
(2012, year-over-year growth)



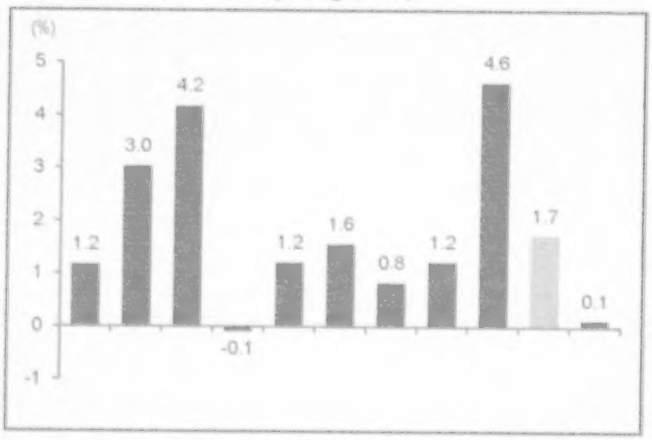
CPI Inflation
(March 2013, year-over-year growth)



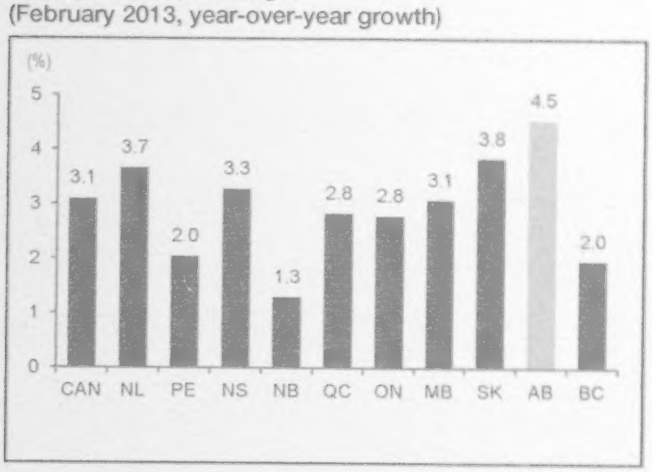
Unemployment Rate
(March 2013)



Employment
(March 2013, year-over-year growth)



Average Weekly Earnings
(February 2013, year-over-year growth)



Housing Starts
(March 2013, SAAR, year-over-year growth)